

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO**

IN RE:

AMERICAN AGENCIES CO., INC.

Debtor in Possession

CASE NO.: 15-07088 (BKT)

CHAPTER 11

IN RE:

NEW STEEL, INC.

Debtor in Possession

CASE NO.: 15-07090 (BKT)

CHAPTER 11

**MOTION SUBMITTING AMENDED BUDGET FOR PERMANENT USE OF CASH
COLLATERAL AND TO CLARIFY AMOUNT OF ADEQUATE PROTECTION TO BE
PAID TO BPPR AS PER STIPULATION FOR USE OF CASH COLLATERAL**

TO THE HONORABLE COURT:

COME NOW, *American Agencies Co., Inc.*, and *New Steel, Inc.*, Debtors herein, through the undersigned attorney, and very respectfully STATE and PRAY:

1. On September 28, 2015 the Debtors and Banco Popular de Puerto Rico (“BPPR”) filed a *Joint Stipulation for Use of Cash Collateral and Adequate Protection*. (“The Joint Stipulation”) (Docket 22)
2. Due to an involuntary error the parties included an incorrect amount in paragraph 12 (“Adequate Protection Payments”) of the Joint Stipulation. The parties correctly stated that the monthly amount to be paid to BPPR is \$16,670.00. Nevertheless, when detailing the application of such payment to the debt, an incorrect amount was stated.

The section submitted read as follows:

Adequate Protection –Payments. Pursuant to section 361 of the Bankruptcy Code, as adequate protection for BPPR for the use of the Cash Collateral, the Debtors hereby agree to pay to BPPR the monthly installments of \$16,670.00, which first installment

payment shall be made immediately with the filing of this Stipulation, and the subsequent monthly installments shall be payable to BPPR on the first (1st) day of each month, commencing on October 1, 2015. From the \$16,635.00 to be paid each month as set forth above, during the first three months until November 30, 2015, \$10,500.00 will be applied to interest and \$6,135.00 will be applied to the principal balance of the Loans. Thereafter, starting on December 1, 2015, \$8,317.50 will be applied to interest and \$8,317.50 will be applied to the principal balance of the Loans. Interest shall continue to accrue under the Loans pursuant to the terms of the Loan Documents and as allowed under the Bankruptcy Code.

3. The parties herein wish to clarify that the correct language to this section should read as follows¹:

Adequate Protection – Payments: Pursuant to section 361 of the Bankruptcy Code, as adequate protection for BPPR for the use of the Cash Collateral, the Debtors hereby agree to pay to BPPR the monthly installments of \$16,670.00, which first installment payment shall be made immediately with the filing of this Stipulation, and the subsequent monthly installments shall be payable to BPPR on the first (1st) day of each month, commencing on October 1, 2015. From the **\$16,670.00** to be paid each month as set forth above, during the first three months until November 30, 2015, **\$10,500.00** will be applied to interest and **\$6,170.00** will be applied to the principal balance of the Loans. Thereafter, starting on December 1, 2015, **\$8,335.00** will be applied to interest and **\$8,335.00** will be applied to the principal balance of the Loans.

4. This minor clarification does not affect nor modify any of the other terms of the Joint Stipulation. The same has been drafted and consulted with BPPR, who has consented to the language herein clarified.
5. Furthermore, the Debtors herein wish to submit a revised budget for the permanent use of cash collateral which incorporates the correct amount of the adequate protection payment as detailed above. **Exhibit 1**
6. The Debtors herein wish to request that this Honorable Court take notice of the clarifications herein made and that the revised budget and language provided above be incorporated to the *Joint Stipulation for Use of Cash Collateral and Adequate*

¹ Amended amounts have been marked in Bold. No other changes to the text of this Section has been made.

Protection filed at Docket 22.

WHEREFORE, Debtors respectfully request this Honorable Court that the amended budget for the permanent use of cash collateral and the clarification to paragraph 12 be incorporated to the Joint Stipulation filed at Docket 22.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 5th day of October, 2015.

I HEREBY CERTIFY that on this same date I electronically filed the foregoing through the CM/ECF system, which will send notification of such filing to the parties therein registered to receive Notice, including the U.S. Trustee and to all parties therein registered to receive notice.

C. CONDE & ASSOC.

/s/Luisa S. Valle Castro

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AMERICAN AGENCIES CO., INC.
(DEBTOR IN POSSESSION)
FORECASTED STATEMENTS OF CASH FLOWS
FOR THE FOUR-MONTH ENDING DECEMBER 31, 2015

	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Beginning Cash Balance	\$ 100,880	\$ 182,473	\$ 21,747	\$ 21,045	\$ 94,478
Cash inflows:					
Collection of credit sales	530,000	530,000	530,000	530,000	2,120,000
Cash sales	72,000	72,000	72,000	72,000	288,000
	602,000	602,000	602,000	602,000	2,408,000
Cash outflows:					
Purchase of materials:	702,880	784,473	623,747	623,045	2,502,478
New Steel, Inc.					
Steel	122,524	152,547	96,457	88,567	460,102
Doors and Hardware	4,000	150,000	43,000	43,000	240,000
	190,000	190,000	190,000	190,000	760,000
	316,524	492,547	329,457	321,567	1,460,102
Cost of Work - Salaries and fringe benefits	27,876	34,007	27,875	24,542	114,300
Other cost of work performed expenses:					
Auto	5,000	5,000	5,000	5,000	20,000
Equipment rental	4,000	4,000	4,000	4,000	16,000
Subcontractor	10,000	9,500	9,500	39,000	68,000
Cut & Burning and supplies	1,000	1,000	1,000	1,000	4,000
Other	8,500	8,500	8,500	8,500	34,000
Warehouse expenses	10,052	12,124	10,050	8,784	41,000
General and Administrative Expenses - salaries & benefits	77,508	77,508	60,450	56,324	271,800
Other General and administrative:					
Rent	5,000	5,000	5,000	5,000	20,000
Utilities	5,250	5,250	5,250	5,250	21,000
Telephone, internet & communications	5,000	5,000	5,000	5,000	20,000
Advertising	2,500	2,500	2,500	2,500	10,000
Property Tax	8,400	8,400	47,000	-	47,000
Professional services (Legal & Act.)	5,750	5,750	8,300	8,300	35,400
Credit Card & Bank Charges	11,380	14,980	11,380	5,750	23,000
Other	-	55,000	40,000	11,380	49,120
State Insurance Fund					95,000
Total CW Expenses	187,216	253,509	256,555	190,330	887,610
Total Disbursements	508,737	746,056	586,032	511,897	2,347,722
Cash Flows from operations	98,263	(144,056)	15,968	90,103	60,278
	16,670	16,670	16,670	16,670	66,580
Adequate Protection Payment BPPR					
Ending cash balance	\$ 182,473.00	\$ 21,747.00	\$ 21,045.00	\$ 94,478.00	\$ 88,076.00

Blumberg No. 5118

EXHIBIT

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